

**FINAL**

## **CHAPTER 5-**

# **1099-MISC PROCESSING**

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*Federal regulations require that the U.S. Department of Housing and Urban Development (HUD) staff prepare and issue Internal Revenue Service (IRS) **Form 1099-MISC** to non-tax-exempt vendors, contractors, and service providers (payees) that receive monies totaling \$600.00 or more during a single tax year for services provided to HUD. Read this chapter for a better understanding of the tasks involved in **Form 1099-MISC** processing.*



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## **Chapter 5 contains:**

### **5.1 - Form 1099-MISC Processing**

*This section provides a general overview of the **Form 1099-MISC** processing.*

### **5.2 - Produce and Maintain Form 1099-MISC**

*This section contains detailed instructions and illustrations for the screens accessed to prepare and issue **Form 1099-MISC** to every payee, except tax-exempt organizations, who receive \$600.00 or more during a single tax year for services provided to HUD.*

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## 5 FORM 1099-MISC PROCESSING

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### 5.1 Form 1099-MISC Processing

#### Introduction

Federal regulations require that U.S. Department of Housing and Urban Development (HUD) staff prepare and issue **Form 1099-MISC** to every non-tax-exempt payee that receives monies totaling \$600.00 or more in a single tax year for services provided. These payees are required by law to report the monies received from HUD as taxable income to the Internal Revenue Service (IRS).

HUD is required by law to provide the following:

1. **Form 1099-MISC** to the payee by January 31 of the following tax year
2. **Form 1099-MISC** to the IRS on magnetic tapes (several are generated periodically throughout the year) by February 28 of the following tax year

Information regarding payments from HUD to payees is recorded in the Single Family Acquired Asset Management System (SAMS) through-out the year. At the end of each taxable year, SAMS generates the **Form 1099-MISC**.

#### Chapter Overview

Preparing and issuing copies of **Form 1099-MISC** for payees is part of the Prepare and Post Disbursements and Issue Checks accounting processes introduced in **Chapter 1 – Introduction to SAMS**. This chapter includes:

**Section 5.1 - Form 1099-MISC Processing**, which provides an overview of the Form 1099-MISC processing.

**Section 5.2 - Produce and Maintain Form 1099-MISC**, which provides detailed instructions and illustrations for the screens accessed to create, maintain, and issue the appropriate information on **Form 1099-MISC** to meet HUD's reporting requirements.

Refer to **Chapter 4 – Disbursements** for detailed information on the tasks involved in recording requests for payments and issuing funds in response to those requests.

### Note

While this document describes procedures that HUD personnel follow when capturing, displaying, modifying, and deleting information in SAMS; it should not be construed that the procedures presented replace or represent official HUD policy. Any changes to HUD business practices that affect SAMS' processes, screens, or reports will be documented in subsequent versions of this document.

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### Staff Responsibility

To ensure that accurate taxable income information is reported to the IRS:

- M&M staff record information in SAMS through-out the year regarding requests for services on properties in the HUD inventory
- Home Ownership Center (HOC) and M&M staff research and respond to payment recipients' requests for **Form 1099-MISC** information
- HOC staff make any necessary corrections to the 1099-related information
- HOC staff thoroughly review the accuracy and completeness of 1099-related information generated each tax year for each payee.
- HOC and M&M staff review the *Generic NAID Listing (AP99SD04)* report monthly through-out the year and replace the generic name and address identifier (NAID) (ALLPRP5555) with a valid, IRS reportable NAID prior to the creation of the **Form 1099-MISC** database in early January of the following tax year. Users access the Offer Acceptance (CMOA) screen, described in detail in **Chapter 3 – Case Management**, to enter the valid IRS reportable NAID.
- HOC staff use the SAMS reports to verify a total 1099 amount for a specific payee for a specific tax year.

SAMS calculates the total 1099 amount after the end of the tax year: based on:

- The type of HUD payee such as selling broker (SB), closing agent (CA), or property manager (PM)
- The Post Code used to describe the type of service provided
- The amount paid to the payee during the tax year for all HOC Areas

The total 1099 amount calculated and reported by SAMS includes:

- Reportable settlement fees (taken from the **Form HUD-1** information)
- All reportable disbursements made to each 1099-eligible HUD payee during the tax year

### Note

Each payee must have a valid NAID and payee type established in SAMS and the 1099 flag must be set to Y (Yes), if reportable. A Tax Identification Number (TIN) may have multiple NAIDs assigned. There are two (2) types of TINs: Employer Identification Number (EIN) and Social Security Account Number (SSN). SAMS uses Federal Identification Number (FIN) in lieu of EIN.

### Processing Tasks

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The processing tasks covered in this section are:

**Task 1:** Request Initial Set of 1099 Reports

**Task 2:** Analyze Reports for Necessary Corrections to 1099 Data

**Task 3:** Correct **Form 1099-MISC** Data

**Task 4:** Verify Accuracy of Corrections

**Task 5:** Verify 1099 Information

**Task 6:** Print **Form 1099-MISC** Forms and Create **Form 1099-MISC** Tape

#### *Task 1: Request Initial Set of 1099 Reports*

HOC staff request 1099 reports:

- *1099 Listing by FIN/SSN* (AP99SD01) report identifies all, or specific, FIN or SSN records linked to a HOC Area and the total 1099 amount to be reported to the IRS.
- *1099 Listing by FIN/SSN with NAIDs* (AP99SD02) report provides a breakdown of a FIN/SSN for the NAIDs linked to an office. A NAID for this FIN/SSN linked only to another HOC AREA will not be on the report. In most cases, an FIN/SSN only has one NAID. In the cases where a FIN/SSN has multiple NAIDs, the total IRS reportable 1099 amount is on the *1099 Listing by FIN/SSN* (AP99SD01) report.
- *Generic NAID Listing* (AP99SD04) report identifies all cases within the user's HOC AREA that have the user specified generic NAID as the SB, listing broker (LB), or CA. As of 2003, SAMS permits the entry of only one generic NAID (ALLPRP5555) for any SB, LB, or CA that does not have an established NAID at the time the information is entered into SAMS.

### Note

Unlike the other 1099 reports, which retrieve data from the static 1099 tables for the specific tax year, the Generic NAID report is produced directly from the current SAMS database; therefore, it has the potential for change. Any closings for the current tax year entered into SAMS in January can be retrieved on a later version of the report.

## 5.1- Form 1099-MISC Processing (continued)

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*Task 1:  
Request Initial  
Set of 1099  
Reports  
(continued)*

- *1099 Detail Report by TIN (AP99SD05)* identifies the 1099 detail by TIN, and identifies all income for a specific TIN at the NAID and HOC Area level. The report allows a user to determine the source of all income for a TIN, regardless of HOC AREA or NAID. The report has three sections. The first section displays disbursement amounts by check or electronic funds transfer (EFT). The second section shows HUD-1 income for SBs, LBs, and CAs by case number. The third section is a summary page, which shows the total 1099 reportable income calculated by the system when the report is generated.
- *1099 Detail Report – Tax Year Less Than 2000 (AP99SD06)* identifies 1099 detail by tax year and TIN, and shows all income for a specific TIN at the NAID and HOC Area level. The report allows a user to determine the source of all income for a TIN, regardless of HOC Area or NAID. The report has three sections. The first section displays disbursement amounts by check or EFT. The second section shows HUD-1 income for SBs, LBs, and CAs by case number. The third section is a summary page, which shows the total 1099 reportable income calculated by the system when the report is generated.
- *1099 Correction Report (AP99SD07)* identifies updates made to the 1099 TIN, address, and monetary amounts.

Once the list of cases has been generated with the generic NAID for the SB, LB, or CA; HOC staff review the files to identify the proper SB, LB, or CA for that case and annotate the report amounts for the SB's commissions and bonuses, the LB's commissions, and the CA's fees by individual NAID.

After the 1099 information is loaded, these amounts **must** be added to the 1099 amount for each NAID via the 1099 NAID Detail (TNNT) screen. Refer to **1099 NAID Detail (TNNT) Data Screen** for an illustration and instructions for using this screen.

### **Note**

It is a good idea to annotate the generic NAID report with the changes that will be made to the 1099 amounts for those payees. Retain the report in the HOC file as an audit trail.

## 5.1- Form 1099-MISC Processing (continued)

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*Task 2:  
Analyze Reports  
for Necessary  
Corrections to  
1099 Data*

HOC staff analyze the 1099 reports to identify necessary changes such as updating address information for the Payee, or changing monetary amounts. If additional information is required to resolve questions, the HOC staff can view information from the HUD-1, Page 2 (CMH2) screen, the Check by Payee (CDCL) screen or the EFT by Payee (EFTP) screen.

### Note

Refer to **Chapter 3 – Case Management** for detailed instructions and illustrations of the HUD-1, Page 2 (CMH2) screen. Refer to **Chapter 4 – Disbursements** for detailed instructions and illustrations of the Check by Payee (CDCL) and EFT by Payee (EFTP) screens.

*Task 3:  
Correct **Form  
1099-MISC**  
Data*

After analyzing the 1099 reports, authorized HOC staff make any necessary corrections to 1099 data for their respective areas using:

- The 1099 MISC Header (TNMH) screen, illustrated and described under **1099 MISC Header (TNMH) Data Screen**, to add or correct the payee's name, address, or NAID status using the appropriate TIN

### Reminder

In addition to changing the payee name, address, or NAID status information on the 1099 MISC Header (TNMH) screen, HOC staff **must** send a **Form SAMS-1111** to the SAMS Service Contractor to have the error corrected in the SAMS payee database.

- The 1099 NAID Detail (TNNT) screen, illustrated and described under **1099 NAID Detail (TNNT) Data Screen**, to add or correct the status and taxable income amount for a payee using the NAID and HOC Area associated with a TIN.

*Task 4:  
Verify Accuracy  
of Corrections*

The accuracy of any corrections **must** be verified against the recipient inquiry information or the *Generic NAID Listing (AP99SD04)* report and the 1099 data screens before and after the changes are made.

*Task 5:  
Verify 1099  
Information*

Processing of newly issued or corrected **Form 1099-MISC** forms occurs periodically. HOC staff should monitor the scheduled dates for 1099 processing and make the necessary corrections in time to ensure that new Form 1099-MISC forms are issued at the very earliest opportunity.

## 5.1- Form 1099-MISC Processing (continued)

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*Task 6:*  
**Print Form**  
**1099-MISC**  
**Forms and**  
**Create Form**  
**1099-MISC**  
**Tape**

A notification, similar to message 483, illustrated in Figure 5-1, is placed on the HUD Bulletin Board (BBDT) screen once the 1099 files are created. The Bulletin Board message specifies the last date for which changes to the 1099 information will be included on the **Form 1099-MISC** and the date the forms are scheduled for mailing. In addition, the message specifies the printing schedule for revised **Form 1099-MISC** forms. A batch process prints the 1099 forms on the scheduled dates. SAMS prints the specific HOC name, address, and 800 telephone number on the **Form 1099-MISC** based on the state location of the HUD vendor.

```

                                S A M S                                03/19/03
SCREEN: QBBDT_                BBDT HUD BULLETIN BOARD TEXT QUERY      10:27:38 EST
NEXT MESSAGE NUMBER: 483 NEXT LINE NUMBER: 14
MESSAGE TITLE: 1099 PROCESSING FOR TAX YEAR 2002

OPT   LINE   MSG TEXT
01    01    THE 1099 DATA TABLES FOR TAX YEAR 2002 HAVE BEEN LOADED INTO
02    02    PRODUCTION AND HOCs CAN NOW USE THE 1099 MODULE TO CORRECT
03    03    ERRONEOUS VENDOR INCOME DATA. THE SCREENS THAT YOU WILL USE
04    04    TO MAKE THESE CHANGES ARE THE 1099-MISC HEADER (ATNMH/MTNMH)
05    05    AND THE 1099 NAID DETAIL (ATNNT/MTNNT). YOU SHOULD HAVE
06    06    ALREADY REVIEWED SAMS TO SEE IF YOUR VENDORS ARE CORRECTLY
07    07    SHOWN AS 1099 REPORTABLE.
08    08
09    09
10    10    COMPLETE YOUR REVIEW, YOU MAY RUN YOUR AREA AP99SD04 REPORT
11    11    WITH GREATER THAN 2002-01-01 AS DATE CLOSED AND USE THE
12    12    GENERIC NAID THAT YOUR HOC AREA USED. MAKE CORRECTIONS TO
13    13    THE APPROPRIATE CASES REPLACING ALL PURPOSE NAIDS WITH

PLEASE PRESS ENTER OR FRWD PF TO CONTINUE BROWSING.
PF 1=HELP 2=SWITCH 3=TITLES 4=PREV MENU 5=MAIN MENU 7=BKWD 8=FRWD 9=CLEAR
```

**Figure 5-1 HUD Bulletin Board 1099 Processing Message**

**Note**

Detailed descriptions and illustrations of the HUD Bulletin Board screens are provided in the **SAMS Bulletin Board Option** section of **Chapter 1 – Introduction to SAMS**.

### Order for 1099 Processing Tasks

It is important to understand the order of tasks for adding and modifying 1099 data:

- Summary or header information **must** be added using the 1099 MISC Header (TNMH) screen prior to adding 1099 detail information.
- Any changes to a 1099 amount for a payee **must** be made through the 1099 NAID Detail (TNNT) screen as documented here.
  - The amount **must** be entered at the NAID/HUD Office level.
  - After the 1099 NAID Detail (TNNT) screen data are committed, the amount total is added or subtracted from the existing NAID amount, depending upon the entries made.
  - The FIN/SSN amount total on the 1099 MISC Header (TNMH) screen is updated automatically when the 1099 NAID Detail (TNNT) screen is committed.

#### Note

Refer to 1099 MISC Header (TNMH) Data Screen and 1099 NAID Detail (TNNT) Data Screen for illustrations and detailed descriptions of these screens.

### 1099 Processing Menus

To access the 1099 processing screens described in this chapter, first go to the SAMS Main Accounting Menu (LMNA), as described under **SAMS Main Accounting Menu (LMNA)**, from the SAMS Data Entry (LMDE) Menu. Then open the 1099 Maintenance Menu (LMTN), as described under **1099 Maintenance Menu (LMTN)**.

#### Note

Refer to the **Using SAMS** section in **Chapter 1 – Introduction to SAMS** for detailed instructions on signing on to SAMS and opening the SAMS Data Entry (LMDE) Menu.

## 5.1- Form 1099-MISC Processing (continued)

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### *SAMS Main Accounting Menu (LMNA)*

To access the SAMS Main Accounting Menu (LMNA), illustrated in Figure 5-2, either:

- Enter an *X* in the selection field for the *Accounting* option from the SAMS Data Entry Menu (LMDE) and press the <ENTER> key
- Enter *LMDE* in the Screen field using the expert mode and press the <F2> key

S A M S		02/20/03
MAIN ACCOUNTING MENU		11:30:47 EST
SCREEN: LMNA__		
TYPE (X) TO SELECT	SCREEN TITLE	
L _	ACCOUNTING SCREENS	
L _	COLLECTIONS	
L _	DISBURSEMENTS	
L _	ACCOUNTING INTERFACE	
L _	RENTALS AND DEBT MANAGEMENT	
L x	1099 MAINTENANCE MENU	
L _	PROGRAM 203K CASES	

PF 2=SWITCH 4=PREV MENU 5=MAIN MENU

**Figure 5-2 SAMS Main Accounting Menu (LMNA) Screen**

#### **Note**

The screens included in this document are for illustrative purposes only and reflect the menu selections and screen layouts available at the time the screen was captured. Menu or screen changes from a later release of SAMS are noted and will be documented in the next release of this document.

## 5.1- Form 1099-MISC Processing (continued)

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### *1099 Maintenance Menu (LMTN)*

From the SAMS Main Accounting Menu (LMNA), to access the 1099 Maintenance Menu (LMTN), illustrated in Figure 5-3, either:

- Enter an *X* in the selection field for the *1099 Maintenance Menu* option from the SAMS Main Accounting Menu (LMNA)
- Enter *LMTN* in the Screen field using the expert mode and press the <F2> key

SCREEN: <u>LMTN</u>	SAMS 1099 MAINTENANCE MENU	02/20/03 11:33:28 EST
TYPE (X) TO SELECT	SCREEN TITLE	
M _ A _ Q _	TNMH 1099 MISC HEADER	
M _ A _ Q _	TNNT 1099 NAID DETAIL	
PF 2=SWITCH 4=PREV MENU 5=MAIN MENU		

**Figure 5-3 1099 Maintenance Menu (LMTN) Screen**

---



## 5.2 Produce and Maintain Form 1099-MISC

### Processing Screens

---

This section provides detailed information on the 1099 processing screens used to verify the completeness and accuracy of the **Form 1099-MISC** forms being sent (or that have been sent) to the payees who received payments totaling \$600.00 or more in a single tax year from HUD for goods and services.

- The 1099 MISC Header Summary (TNMH) screen, discussed under **1099 MISC Header (TNMH) Data Screen**, is used to review name, address, and amount information, and to record summary 1099 information for each payee linked to a specific FIN or SSN.
- The 1099 NAID Detail (TNNT) screen, discussed under **1099 NAID Detail (TNNT) Data Screen**, provides the total 1099 amount calculated for each eligible payee (by NAID) within a HOC Area.

### Data Screens

The 1099 data screens covered in this section are:

- 1099 MISC Header ..... TNMH
  - 1099 NAID Detail..... TNNT
-

### 1099 MISC Header (TNMH) Data Screen

The 1099 MISC Header (TNMH) data screen allows authorized HOC staff to review, add, and modify information pertaining to a payee using the payee's TIN to access this information.

Upon completion of this data screen in the *add* mode, the user is routed to the 1099 NAID Detail (TNNT) screen where the user specifies an existing NAID and enters the payment amount to be displayed on the **Form 1099-MISC** form for the NAID.

#### Note

Refer to **1099 NAID Detail (TNNT) Data Screen** for a detailed description and illustration of the 1099 NAID Detail (TNNT) data screen.

In the modify mode of the 1099 MISC Header (TNMH) data screen, only the Name, Address, and Status data fields may be changed. The reason for the change is documented in the Change Reason Code and Comments fields. Any additions and modifications made to the data on the 1099 MISC Header (TNMH) screen correct the 1099 file and serve as an audit trail for auditors. However, these changes do not affect the SAMS payee database and, therefore, are not reflected on the Payee Name and Address (GBNA) screen, described and illustrated in **Chapter 2 – Case Management**. Any changes to the name and address information that must be reflected on the Payee Name and Address (GBNA) screen data **must** be performed using the normal process of sending a **Form SAMS-1111** to the Service Center for correction. This is the **only** way to ensure that future disbursements and Form 1099-MISC forms are correctly prepared. Failure to correct the SAMS payee database results in similar errors occurring in subsequent years.

#### Note

Changes made via the 1099 MISC Header (TNMH) screen here are made only to the 1099 file, not to the SAMS database. Use the Correction (AP99SD07) report to view the list of changes made to identification, address, or monetary information for the 1099.

## 5.2 - Produce and Maintain Form 1099-MISC (continued)

### *Before You Begin*

Gather this information before using the 1099 MISC Header (TNMH) screen, illustrated in Figure 5-4:

- TIN
- Tax Year

#### **Note**

SAMS does not store 1099 information for years prior to 1995.

```

                                S A M S                                03/22/04
SCREEN: QTNMH_                 TNMH 1099 MISC HEADER QUERY          17:38:31 EST
FIN: 00-0000000              SSN: 000-00-0000              TAX YEAR: ____
RECIPIENT'S ID
                                STATUS:              TAX YEAR
NAME:
FIRST:                        LAST:              MIDDLE:
ATTENTION:
ADDRESS:
CITY:                          STATE:              ZIP CODE:      -
NON-EMPLOYEE COMPENSATION      *CHANGE REASON CODE:
COMMENTS:                      ISSUE DATE
                                GO TO DETAIL _
FIN OR SSN IS REQUIRED
PF 1=HELP 2=SWITCH 4=PREV MENU 5=MAIN MENU
```

**Figure 5-4 1099 MISC Header Add (ATNMH) Screen**

#### **Note**

The data displayed on the screens in this document are for illustration purposes only and **do not represent actual SAMS data.**

## 5.2 - Produce and Maintain Form 1099-MISC (continued)

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### Data Screen Options

On the 1099 MISC Header (TNMH) data screen:

- To **add** 1099 information, enter *ATNMH* in the Screen field and press the <F2> key.
- To **modify** 1099 information, enter *MTNMH* in the Screen field and press the <F2> key.
- To **locate (query)** 1099 information, enter *QTNMH* in the Screen field and press the <F2> key.

### Procedure Table

Follow the instructions in Table 5-1 1099 MISC Header (TNMH) Procedure Table to add or correct 1099 summary information:

#### Reminder

In the Procedure Tables included with each screen illustration, the fields which must be completed on a screen are marked as **[REQUIRED]**, fields which have a Look-up table available are marked with an asterisk (\*), system-generated field entries are documented in a shaded row, and directions are provided for the various modes available on the screen. Refer to **Procedure Table** in **Section 1.1 – SAMS User’s Guide Standards** for additional information.

**Table 5-1 1099 MISC Header (TNMH) Procedure Table**

DATA FIELD	VALID ENTRIES	DESCRIPTION
FIN	10 alphanumeric characters	<p><b>[REQUIRED]</b> Enter the Federal Identification Number of the payee. A FIN must be entered in this field or an SSN must be entered in the <u>SSN</u> field to <b>add, modify, or locate (query)</b> 1099 data.</p> <p><i>Note:</i> A dash (-) can be entered to separate the parts of the FIN. If a dash is not entered, the system inserts it automatically.</p> <p><i>Note:</i> If an entry is made in this field, the <u>First, Last, and Middle</u> name fields are protected (no data entry allowed) in the <b>add</b> and <b>modify</b> modes and the <u>Name</u> field must be used to enter or change the name for a current 1099 record.</p>

5.2 - Produce and Maintain Form 1099-MISC (continued)

**Table 5-1 1099 MISC Header (TNMH) Procedure Table, continued**

DATA FIELD	VALID ENTRIES	DESCRIPTION
SSN	11 alphanumeric characters	<p><b>[REQUIRED]</b> Enter the Social Security Number of the payee. An SSN must be entered in this field or a FIN must be entered in the <u>FIN</u> field to <b>add</b>, <b>modify</b>, or <b>locate (query)</b> 1099 data.</p> <p><i>Note:</i> Dashes (-) can be entered to separate the parts of the SSN. If dashes are not entered, the system inserts them automatically.</p> <p><i>Note:</i> If an entry is made in this field in the <b>add</b> or <b>modify</b> modes, the <u>Name</u> field is protected (no data entry allowed) and an entry is required in the <u>First</u> and <u>Last</u> name fields.</p>
Tax Year	4 numeric characters	<p><b>[REQUIRED]</b> Enter the four (4) digit designation for the tax year for which information is being added or accessed.</p>
<p>Press the &lt;F2&gt; key.</p> <p><b>Result:</b> SAMS retrieves and displays the available values of the fields identified here.</p>		
Recipient's ID	N/A	System-generated; based on the entries in the <u>FIN</u> , <u>SSN</u> , and <u>Tax Year</u> fields.
Status	1 alphabetic characters <b>I</b> = Inactive <b>A</b> = Active <b>C</b> = Corrected	<p><b>[REQUIRED]</b> In the <b>add</b> mode, enter the NAID status:</p> <p><i>Note:</i> Only enter an <i>I</i> (Inactive) or an <i>A</i> (Active) in this field. An entry of <i>C</i> (Corrected) is automatically generated for this field when a change is made to the record.</p> <p>This entry can be changed in the <b>modify</b> mode by entering a different NAID status in this field.</p>
		System-generated; in the <b>modify</b> or <b>query</b> mode based on the entry in the <u>FIN</u> , <u>SSN</u> , and <u>Tax Year</u> fields.
Tax Year	4 numeric characters	System-generated; in all modes based on the entry in the <u>Tax Year</u> selection field.

5.2 - Produce and Maintain Form 1099-MISC (continued)

**Table 5-1 1099 MISC Header (TNMH) Procedure Table, continued**

DATA FIELD	VALID ENTRIES	DESCRIPTION
Name	30 alphanumeric characters	<p><b>[REQUIRED]</b> In the <i>add</i> or <i>modify</i> mode if an entry is made in the <u>FIN</u> field, enter the name of the payee.</p> <p>System-generated; in the <i>locate (query)</i> and <i>modify</i> modes based on the entries in the <u>FIN</u>, <u>SSN</u>, and <u>Tax Year</u> fields. In the <i>add</i> mode, this field is system-generated based on the entries in the <u>First</u>, <u>Last</u>, and <u>Middle</u> name fields, if an entry is made in the <u>SSN</u> field. The</p> <p><i>Note:</i> This field is protected in the <b>add</b> and <b>modify</b> modes if an entry is made in the <u>SSN</u> field.</p>
First	30 alphanumeric characters	<p><b>[REQUIRED]</b> In the <i>add</i> or <i>modify</i> mode if an entry is made in the <u>SSN</u> field, enter the name of the payee.</p> <p>System-generated; in the <i>locate (query)</i> and <i>modify</i> modes based on the entries in the <u>FIN</u>, <u>SSN</u>, and <u>Tax Year</u> fields.</p> <p><i>Note:</i> This field is protected in the <b>add</b> and <b>modify</b> modes if an entry is made in the <u>FIN</u> field.</p>
Last	30 alphanumeric characters	<p><b>[REQUIRED]</b> In the <i>add</i> or <i>modify</i> mode if an entry is made in the <u>SSN</u> field, enter the name of the payee.</p> <p>System-generated; in the <i>locate (query)</i> and <i>modify</i> modes based on the entries in the <u>FIN</u>, <u>SSN</u>, and <u>Tax Year</u> fields.</p> <p><i>Note:</i> This field is protected in the <b>add</b> and <b>modify</b> modes if an entry is made in the <u>FIN</u> field.</p>
Middle	30 alphanumeric characters	<p>In the <i>add</i> or <i>modify</i> mode if an entry is made in the <u>SSN</u> field, a middle initial for the payee can be entered in this field.</p> <p>System-generated; in the <i>locate (query)</i> and <i>modify</i> modes based on the entries in the <u>FIN</u>, <u>SSN</u>, and <u>Tax Year</u> fields.</p> <p><i>Note:</i> This field is protected in the <b>add</b> and <b>modify</b> modes if an entry is made in the <u>FIN</u> field.</p>

5.2 - Produce and Maintain Form 1099-MISC (continued)

**Table 5-1 1099 MISC Header (TNMH) Procedure Table, continued**

DATA FIELD	VALID ENTRIES	DESCRIPTION
Attention	30 alphanumeric characters	In the <b>add</b> mode, enter the name of a specific individual to whom the <b>Form 1099-MISC</b> will be addressed.  System-generated; in the <b>modify</b> or <b>query</b> mode based on the entry in the <u>FIN</u> , <u>SSN</u> , and <u>Tax Year</u> fields.
Address	30 alphanumeric characters	<b>[REQUIRED]</b> In the <b>add</b> mode, enter the mailing address of the payee.  To change the entry in this field in the <b>modify</b> mode, enter the new information in the field, as needed.  <i>Note: This field may not be blank.</i> System-generated; in the <b>modify</b> or <b>query</b> mode based on the entry in the <u>FIN</u> , <u>SSN</u> , and <u>Tax Year</u> fields.
City	17 alphanumeric characters	<b>[REQUIRED]</b> In the <b>add</b> mode, enter the city associated with the mailing address entered in the <u>Address</u> field.  To change the entry in this field in the <b>modify</b> mode, type the new information in the field, as needed.  <i>Note: This field may not be blank.</i> System-generated; in the <b>modify</b> or <b>query</b> mode based on the entry in the <u>FIN</u> , <u>SSN</u> , and <u>Tax Year</u> fields.
State	2 alphabetic characters	<b>[REQUIRED]</b> In the <b>add</b> mode, enter the postal abbreviation for the state associated with the mailing address entered in the <u>Address</u> field.  To change the entry in this field in the <b>modify</b> mode, type the new information in the field, as needed.  <i>Note: This field may not be blank.</i> System-generated; in the <b>modify</b> or <b>query</b> mode based on the entry in the <u>FIN</u> , <u>SSN</u> , and <u>Tax Year</u> fields.

5.2 - Produce and Maintain Form 1099-MISC (continued)

**Table 5-1 1099 MISC Header (TNMH) Procedure Table, continued**

DATA FIELD	VALID ENTRIES	DESCRIPTION
Zip Code	9 alphanumeric characters	<p><b>[REQUIRED]</b> In the <i>add</i> mode, enter the ZIP code associated with the mailing address entered in the <u>Address</u> field.</p> <p>To change the entry in this field in the <i>modify</i> mode, type the new information in the field, as needed.</p> <p><b>Note:</b> This field may not be blank. System-generated; in the <i>modify</i> or <i>query</i> mode based on the entry in the <u>FIN</u>, <u>SSN</u>, and <u>Tax Year</u> fields.</p>
Non-Employee Compensation	N/A	System-generated; field displays the total dollar amount for all NAIDs associated with the FIN/SSN record selected.
*Change Reason Code	2 alphabetic characters	<p><b>[REQUIRED]</b> In the <i>add</i> or <i>modify</i> mode, enter the change reason code information or enter a ? in the field and press the &lt;ENTER&gt; key to access the Lookup screen and select a code from those displayed.</p> <p><b>Note:</b> <i>Change reason code DP(Duplicate) does not require any modifications to information on this screen. The only requirement is to add comments.</i></p>
Comments	90 alphanumeric characters	<b>[REQUIRED]</b> In the <i>add</i> or <i>modify</i> mode, enter any applicable comments.
Issue Date	8 alphanumeric characters	System-generated; field displays the date a <b>Form 1099-MISC</b> was printed for the FIN/SSN indicated on this screen. The form creation date is based on the current system date at the time the <b>Form 1099-MISC</b> is printed.

**Table 5-1 1099 MISC Header (TNMH) Procedure Table, continued**

DATA FIELD	VALID ENTRIES	DESCRIPTION
GOTO Detail	1 alphabetic character <b>X</b>	<p>To review detailed data, enter an <i>X</i> in this field in the <b>modify</b> or <b>query</b> mode. This field is not accessible in the <b>add</b> mode.</p> <p><b>Result:</b> <i>The system displays the 1099 NAID Detail (TNNT) screen, illustrated and described under <b>1099 NAID Detail (TNNT) Data Screen.</b></i></p>
<p><i>To commit the addition or correction of 1099 data for this payee, press the &lt;ENTER&gt; key.</i></p> <p><b>Result:</b> <i>The system displays an error message or the successful completion message; and:</i></p> <ul style="list-style-type: none"> <li>• <i>In the <b>add</b> mode generates the name based on the entries in the <u>First</u>, <u>Last</u>, and <u>Middle</u> name fields, if an SSN entry is made.</i></li> <li>• <i>In the <b>modify</b> mode, updates the name based on the changes made in the <u>First</u>, <u>Last</u>, and <u>Middle</u> name fields, for an SSN record.</i></li> <li>• <i>Displays the 1099 NAID Detail (TNNT) screen, illustrated and described under <b>1099 NAID Detail (TNNT) Data Screen</b>, if an <i>X</i> is entered in the <u>GOTO Detail</u> field.</i></li> </ul> <p><b>Note:</b> <i>To clear the error message make the corrections/entries indicated and press the &lt;ENTER&gt; key. After viewing the successful completion message, press the &lt;ENTER&gt; key again before attempting to:</i></p> <ul style="list-style-type: none"> <li>• <i>make another modification to the same payee.</i></li> <li>• <i>add or correct data for a different payee. In <b>add</b> mode, the system automatically displays the <b>add</b> mode of the 1099 NAID Detail (ATNNT) screen, illustrated and described under <b>1099 NAID Detail (TNNT) Data Screen.</b></i></li> <li>• <i>use the GOTO router to display the 1099 NAID Detail (TNNT) screen, illustrated and described under <b>1099 NAID Detail (TNNT) Data Screen.</b></i></li> <li>• <i>exit the screen.</i></li> </ul>		

### 1099 NAID Detail (TNNT) Data Screen

The 1099 NAID Detail (TNNT) screen allows authorized HOC staff to add or modify 1099 amounts. The total 1099 amount displayed on the 1099 NAID Detail (TNNT) screen includes reportable settlement fees (taken from the **Form HUD-1** information) and the disbursements for each 1099-eligible NAID in the user's HOC Area.

#### Note

A NAID is 1099-eligible if the 1099 Flag field is set to Y (Yes) on the Payee Name and Address (GBNA) screen. Refer to **Chapter 2 – Global Definitions** for a detailed description and illustration of the Payee Name and Address (GBNA) screen.

The 1099 amount data are extracted approximately one week after the end of the reported tax year. For example, the extract for tax year 2002 is run on January 7, 2003. Data entered for a settlement after that date for the current tax year requires a manual update for 1099-eligible selling brokers, listing brokers, or closing agents on the 1099 NAID Detail (TNNT) data screens in the *modify* mode (MTNNT).

- To add 1099 information for a NAID, that NAID must exist within SAMS. The amount information is entered at the NAID/HUD office level through the 1099 NAID Detail (TNNT) screen. The TIN amount total on the 1099 MISC Header (TNMH) screen, illustrated under **1099 MISC Header (TNMH) Data Screen**, is updated automatically.
- To adjust 1099 information for a NAID, that NAID must exist within SAMS. The amount information is entered at the NAID/HUD office level and that amount is either added to or subtracted from any existing amount displayed.

The two most common reasons for adjusting the 1099 amount are:

1. The inclusion of disbursements made to a payee that were not reported on the **Form 1099-MISC** form (for example, a reimbursement, fees from Form HUD-1 received after the 1099 files were created)
2. Commissions, bonuses, and fees from the **Form HUD-1** settlement sheets erroneously assigned to a generic NAID instead of a valid SB or CA NAID

## 5.2 - Produce and Maintain Form 1099-MISC (continued)

### *Before You Begin*

Gather the following information before using the 1099 NAID Detail Data (TNNT) screen, illustrated in Figure 5-5:

- TIN
- Tax Year
- NAID
- HUD Office

### Note

This information (TIN, Tax Year, NAID, HUD Office) is available on the *1099 Listing by FIN/SSN with NAIDs* (AP99SD02) report for accessing this screen in the **modify** mode.

```

                                S A M S                                03/22/04
SCREEN: QTNNT_                    TNNT 1099 NAID DETAIL QUERY          17:33:14 EST

FIN: 00-000000                    SSN: 000-00-0000                    TAX YEAR: ____
NAID: _____                    HUD OFFICE: ____

FIN                                SSN                                TAX YEAR
NAID                                HUD OFFICE

NAID AMOUNT                        STATUS:
CHANGE AMOUNT BY:                  *CHANGE REASON CODE:

                                COMMENTS:

                                                                GO TO HEADER: __

FIN OR SSN IS REQUIRED
PF 1=HELP 2=SWITCH 4=PREV MENU 5=MAIN MENU 9=CLEAR
```

Figure 5-5 1099 NAID Detail (MTNNT) Modify Screen

## 5.2 - Produce and Maintain Form 1099-MISC (continued)

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### Data Screen Options

On the 1099 NAID Detail (TNNT) data screen:

- To **add** detail 1099 information, enter *ATNNT* in the Screen field and press the <F2> key.
- To **modify** detail 1099 information, enter *MTNNT* in the Screen field and press the <F2> key.
- To **locate (query)** detail 1099 information, enter *QTNNT* in the Screen field and press the <F2> key.

### Procedure Table

Follow the instructions in Table 5-2 1099 NAID Detail (TNNT) Procedure Table to add or correct detailed 1099 information:

**Table 5-2 1099 NAID Detail (TNNT) Procedure Table**

DATA FIELD	VALID ENTRIES	DESCRIPTION
FIN	10 alphanumeric characters	<p><b>[REQUIRED]</b> Enter the Federal Identification Number (FIN) of the payee. A FIN must be entered in this field or an SSN must be entered in the <u>SSN</u> field to <b>add</b>, <b>modify</b>, or <b>locate (query)</b> 1099 data.</p> <p><i>Note:</i> A dash (-) can be entered to separate the parts of the FIN. If a dash is not entered, the system inserts it automatically</p>
SSN	11 alphanumeric characters	<p><b>[REQUIRED]</b> Enter the Social Security Number (SSN) of the payee. An SSN must be entered in this field or a FIN must be entered in the <u>FIN</u> field to <b>add</b>, <b>modify</b>, or <b>locate (query)</b> 1099 data.</p> <p><i>Note:</i> Dashes (-) can be entered to separate the parts of the SSN. If dashes are not entered, the system inserts them automatically</p>
Tax Year	4 numeric characters	<p><b>[REQUIRED]</b> Enter the four (4) digit designation for the tax year for which information is being added or accessed.</p>

5.2 - Produce and Maintain Form 1099-MISC (continued)

**Table 5-2 1099 NAID Detail (TNNT) Procedure Table, continued**

DATA FIELD	VALID ENTRIES	DESCRIPTION
NAID	10 alphanumeric characters	[ <b>REQUIRED</b> ] Enter the payee NAID associated with the 1099 information.  <i>Note</i> The NAID must be valid for the FIN/SSN entered and associated with the HOC Area identified at system log in.
HUD Office		System-generated; based on the user's log in ID.
<p>Press the &lt;F2&gt; key.</p> <p><b>Result:</b> The system retrieves and displays the available values for the fields identified here.</p>		
FIN	N/A	System-generated; based on the entries in the <u>FIN</u> , <u>SSN</u> , <u>Tax Year</u> , <u>NAID</u> , and <u>HUD Office</u> selection fields.
SSN	N/A	System-generated; based on the entries in the <u>FIN</u> , <u>SSN</u> , <u>Tax Year</u> , <u>NAID</u> , and <u>HUD Office</u> selection fields.
Tax Year	N/A	System-generated; based on the entries in the <u>FIN</u> , <u>SSN</u> , <u>Tax Year</u> , <u>NAID</u> , and <u>HUD Office</u> selection fields.
NAID	N/A	System-generated; based on the entries in the <u>FIN</u> , <u>SSN</u> , <u>Tax Year</u> , <u>NAID</u> , and <u>HUD Office</u> selection fields.
HUD Office	N/A	System-generated; based on the entries in the <u>FIN</u> , <u>SSN</u> , <u>Tax Year</u> , <u>NAID</u> , and <u>HUD Office</u> selection fields.
NAID Amount	14 numeric characters <b>\$99,999,999.99</b>	[ <b>REQUIRED</b> ] In the <i>add</i> mode, enter the total amount paid to this NAID in this tax year.
		System-generated; in the <i>modify</i> and <i>locate (query)</i> modes.

**Table 5-2 1099 NAID Detail (TNNT) Procedure Table, continued**

DATA FIELD	VALID ENTRIES	DESCRIPTION
Status	1 alphabetic character <b>I</b> = Inactive <b>A</b> = Active <b>C</b> = Corrected	<b>[REQUIRED]</b> In the <i>add</i> mode, enter the Status of the NAID.  <i>Note:</i> Only enter an <i>I</i> (Inactive) or an <i>A</i> (Active) in this field. An entry of <i>C</i> (Corrected) in this field indicates that a change was made to the record.  This entry can be changed in the <i>modify</i> mode by entering a different NAID status in this field.  System-generated; in the <i>modify</i> or <i>query</i> mode based on the entry in the <u>FIN</u> , <u>SSN</u> , and <u>Tax Year</u> fields.
Change Amount By	10 numeric characters	In the <i>modify</i> mode, enter the amount to be added or subtracted from the NAID amount data field for this NAID's reported income.  <i>Example</i> To reduce a NAID's reported income from \$50,000 to \$40,000, Enter <b>-10000</b> in this field. This data field is used in <i>modify</i> mode only.)  <i>Note:</i> This field is not available in the <i>add</i> mode.  System-generated; in the <i>locate</i> ( <i>query</i> ) mode based on the record selected.
*Change Reason Code	2 alphanumeric characters	<b>[REQUIRED]</b> In the <i>add</i> and <i>modify</i> modes, enter the reason for changing the information, or enter a ? and press the <ENTER> key to access the Lookup screen and select an entry from the list displayed.  <i>Note:</i> In all modes, this field is blank when first displayed. Entries in this field are not re-displayed after the screen is committed.  System-generated; as a blank field in the <i>query</i> and <i>modify</i> modes.

5.2 - Produce and Maintain Form 1099-MISC (continued)

**Table 5-2 1099 NAID Detail (TNNT) Procedure Table, continued**

DATA FIELD	VALID ENTRIES	DESCRIPTION
Comments	90 alphanumeric characters	<p><b>[REQUIRED]</b> In the <i>add</i> and <i>modify</i> modes, enter any applicable comments.</p> <p><i>Note:</i> In all modes, this field is blank when first displayed. Entries in this field are not re-displayed after the screen is committed.</p> <p>System-generated; as a blank field in the <i>query</i> and <i>modify</i> modes.</p>
GOTO Header	1 alphabetic character <b>X</b>	<p>Enter an X in this field to review or modify summary information for the FIN/SSN.</p> <p><b>Result:</b> The system displays the 1099 MISC Header (TNMH) screen documented under <b>1099 MISC Header (TNMH) Data Screen</b>.</p>
<p>To commit the addition or correction of 1099 detail data, press the &lt;ENTER&gt; key.</p> <p><b>Result:</b> The system displays an error message or the successful completion message. The system:</p> <ul style="list-style-type: none"> <li>• Creates the new record in the <i>add</i> mode</li> <li>• Saves the changes made in the <i>modify</i> mode</li> <li>• Displays the 1099 MISC Header (TNMH) screen, illustrated and described under <b>1099 MISC Header (TNMH) Data Screen</b>, if an X is entered in the <u>GOTO Header</u> field.</li> </ul> <p><b>Note:</b> To clear the error message make the corrections/entries indicated and press the &lt;ENTER&gt; key. After viewing the successful completion message, press the &lt;ENTER&gt; key again before attempting to:</p> <ul style="list-style-type: none"> <li>• add or correct detail data for another payee/NAID</li> <li>• use the GOTO router to display the 1099MISC Header (TNMH) screen documented under <b>1099 MISC Header (TNMH) Data Screen</b>.</li> <li>• exit the screen</li> </ul>		